

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

-----X	:	
DEBORAH CHIN, Individually and	:	
On behalf of All Others Similarly Situated,	:	Case No. 04-CV-10294 DPW
	:	
Plaintiffs,	:	MEMORANDUM OF LAW
	:	IN SUPPORT OF MOTION OF
v.	:	BRAD ROLLO FOR
	:	APPOINTMENT AS LEAD
SONUS NETWORKS, INC., PAUL R.	:	PLAINTIFF AND APPROVAL OF
JONES, EDWARD N. HARRIS, J.	:	CHOICE OF COUNSEL
MICHAEL O'HARA, HASSAN M.	:	
AHMED and STEPHEN J. NILL,	:	
	:	
Defendants.	:	
-----X	:	
-----X	:	
INFORMATION DYNAMICS, LLC	:	
Individually and On behalf of All Others	:	
Similarly Situated,	:	Case No. 04-CV-10308 DPW
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
SONUS NETWORKS, INC., PAUL R.	:	
JONES, EDWARD N. HARRIS, J.	:	
MICHAEL O'HARA, HASSAN M.	:	
AHMED and STEPHEN J. NILL,	:	
	:	
Defendants.	:	
-----X	:	

-----X
PETER KALTMAN, Individually and On :
behalf of All Others Similarly Situated, :

Case No. 04-CV-10309 DPW

Plaintiffs, :

v. :

SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :

Defendants. :

-----X
-----X
SAMANTHA DEN, Individually and On :
behalf of All Others Similarly Situated, :

Case No. 04-CV-10310 DPW

Plaintiffs, :

v. :

SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :

Defendants. :

-----X
-----X
RONALD KASSOVER, Individually and :
On behalf of All Others Similarly Situated, :

Case No. 04-CV-10329 DPW

Plaintiffs, :

v. :

SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :

Defendants. :
-----X

-----X
STEVE L. BAKER, Individually and On :
behalf of All Others Similarly Situated, :
:
Plaintiffs, :
:
v. :
:
SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :
:
Defendants. :

Case No. 04-CV-10333 DPW

-----X
-----X
HAIMING HU, Individually and On :
behalf of All Others Similarly Situated, :
:
Plaintiffs, :
:
v. :
:
SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :
:
Defendants. :

Case No. 04-CV-10346 DPW

-----X
-----X
MICHAEL KAFFEE, Individually and On :
behalf of All Others Similarly Situated, :
:
Plaintiffs, :
:
v. :
:
SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :
:
Defendants. :

Case No. 04-CV-10345 DPW

-----X

-----X	
SANUEL HO, Individually and On	:
behalf of All Others Similarly Situated,	:
	:
Plaintiffs,	:
	:
v.	:
	:
SONUS NETWORKS, INC., PAUL R.	:
JONES, EDWARD N. HARRIS, J.	:
MICHAEL O'HARA, HASSAN M.	:
AHMED and STEPHEN J. NILL,	:
	:
Defendants.	:
-----X	
-----X	
MICHELLE TREBITSCH, Individually	:
and On behalf of All Others Similarly	:
Situated,	:
	:
Plaintiffs,	:
	:
v.	:
	:
SONUS NETWORKS, INC., PAUL R.	:
JONES, EDWARD N. HARRIS, J.	:
MICHAEL O'HARA, HASSAN M.	:
AHMED and STEPHEN J. NILL,	:
	:
Defendants.	:
-----X	

Case No. 04-CV-10363 DPW

Case No. 04-CV-10307 DPW

-----X
JEFFREY RODRIGUES, Individually and :
On behalf of All Others Similarly Situated, :
:
Plaintiffs, :
:
:
v. :
:
SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :
:
Defendants. :
-----X

Case No. 04-CV-10364 DPW

-----X
SHELIA BROWNELL, Individually and :
On behalf of All Others Similarly Situated, :
:
Plaintiffs, :
:
:
v. :
:
SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :
:
Defendants. :
-----X

Case No. 04-CV-10597 DPW

-----X
CHARLIE STARBUCK, Individually and :
On behalf of All Others Similarly Situated, :
:
Plaintiffs, :
:
:
v. :
:
SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :
:
Defendants. :
-----X

Case No. 04-CV-10362 DPW

-----X
DANIEL WILLIAMS, Individually and On :
behalf of All Others Similarly Situated, :
:
Plaintiffs, :
:
v. :
:
SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :
:
Defendants. :
-----X

Case No. 04-CV-10359 DPW

-----X
-----X
ROBERT CONTI, Individually and On :
behalf of All Others Similarly Situated, :
:
Plaintiffs, :
:
v. :
:
SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :
:
Defendants. :
-----X

Case No. 04-CV-10382 DPW

-----X

WHEATON ELECTRICAL SERVICES :
401(k) PLAN, Individually and On :
behalf of All Others Similarly :
Situating, :

Plaintiffs, :

v. :

SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :

Defendants. :

-----X

-----X
BRIAN CLARK, Individually and On :
behalf of All Others Similarly Situated, :

Plaintiffs, :

v. :

SONUS NETWORKS, INC., PAUL R. :
JONES, EDWARD N. HARRIS, J. :
MICHAEL O'HARA, HASSAN M. :
AHMED and STEPHEN J. NILL, :

Defendants. :

-----X

Case No. 04-CV-10383 DPW

Case No. 04-CV-10454 DPW

-----X	
SAVERIO PUGLIESSE, Individually and	:
On behalf of All Others Similarly Situated,	:
	:
Plaintiffs,	:
	:
v.	:
	:
SONUS NETWORKS, INC., PAUL R.	:
JONES, EDWARD N. HARRIS, J.	:
MICHAEL O'HARA, HASSAN M.	:
AHMED and STEPHEN J. NILL,	:
	:
Defendants.	:
-----X	
-----X	
DAVID V. NOCITO, Individually and On	:
behalf of All Others Similarly Situated,	:
	:
Plaintiffs,	:
	:
v.	:
	:
SONUS NETWORKS, INC., PAUL R.	:
JONES, EDWARD N. HARRIS, J.	:
MICHAEL O'HARA, HASSAN M.	:
AHMED and STEPHEN J. NILL,	:
	:
Defendants.	:
-----X	

Case No. 04-CV-10612 DPW

Case No. 04-CV-10623 DPW

I. INTRODUCTION

Proposed Lead Plaintiff Brad Rollow (“Rollow”), respectfully submits this memorandum of law in support of his motion, pursuant to Section 21D(a)(3)(B) of the Securities and Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), 15 U.S.C. § 78u-4(a)(3)(B), for an Order (i) appointing Mr. Rollow as Lead Plaintiff in this action on behalf of investors that purchased the securities of Sonus Networks between June 3, 2003 and February 11, 2004, inclusive (the “the Class” or the “Class Period”) and (ii) approving Mr. Rollow’s selection of Schatz & Nobel, P.C. and Ragsdale & Frese LLC as Co-Lead Counsel.

Mr. Rollow’s motion should be granted. As is shown below, Mr. Rollow’s motion is timely as it is filed within 60 days of the first published notice of this class action litigation against Defendants. Furthermore, Mr. Rollow is the “most adequate plaintiff” within the meaning of 15 U.S.C. § 78u-4(a)(3)(B), and Mr. Rollow has selected and retained legal counsel with substantial experience in handling securities class actions to serve as counsel.

II. SUMMARY OF THE ALLEGATIONS AGAINST THE DEFENDANTS

On February 12, 2004, Plaintiff Deborah Chin filed a complaint in the United States District Court for the District of Massachusetts on behalf of all persons who purchased securities of Sonus Networks, Inc. (the “Class”) between June 3, 2003 and February 11, 2004, inclusive (the “Class Period”). Since then, eighteen additional cases have been filed in the United States District Court for the District of Massachusetts against the Defendants.

Plaintiff alleged, inter alia, that Sonus Networks, a provider of voice infrastructure solutions, and certain of its officers and directors (collectively “Defendants”) violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, by issuing materially false and misleading statements during the Class Period concerning Sonus’ financial results and performance. Specifically, defendants failed to disclose that they had recognized revenue improperly and in an untimely manner on certain of the Company’s transactions in contravention of generally accepted accounting principles and the Company’s revenue recognition policy.

On February 11, 2004, Sonus announced, inter alia, that it discovered certain issues, practices and actions of certain employees relating to both the timing of revenue recognized from certain customer transactions and to certain other financial statement accounts, which may affect the Company’s 2003 financial statements and possibly financial statements for prior periods. Sonus was unable to provide an anticipated date for the completion of its review, year-end audit, or the rescheduling of the release of its fourth quarter and fiscal year results for the year ended December 31, 2003. On this news, Sonus’ shares fell as low as \$5.02 per share on February 12, 2004, a decline of 24.9% or \$1.67 per share from the previous day’s closing price.

III. ROLLOW SHOULD BE APPOINTED AS A LEAD PLAINTIFF

A. The Procedure for Appointment of Lead Plaintiff Under the PSLRA

The PSLRA sets forth the procedure governing the appointment of Lead Plaintiff in each private action arising under the Securities Exchange Act of 1934 (the “Act”) that is brought as a class action pursuant to the Federal Rules of Civil Procedure. See 15 U.S.C. § 78u-4(a)(1). Under the first step of this procedure, the plaintiff who files a putative class action under the Act

must publish a notice advising members of the purported plaintiff class of the (i) pendency of the action, (ii) claims asserted therein, (iii) purported class period and (iv) option of any member of the purported class to move to serve as lead plaintiff of the purported class not later than 60 days after the date on which the notice is published. See 15 U.S.C. §78u-4(a)(3)(A).

Under the PSLRA, the Court is then required to appoint as lead plaintiff the “most adequate plaintiff,” which the Act defines as “the member or members of the purported plaintiff class that the court determines to be most capable of adequately representing the interests of class members.” See 15 U.S.C. §78u-4(a)(3)(B)(i). The PSLRA further provides:

[T]he court shall adopt a presumption that the most adequate plaintiff in any private action arising under this chapter is the person or group of persons that--

- (aa) has either filed the complaint or made a motion in response to a notice under subparagraph (A)(i);
- (bb) in the determination of the court, has the largest financial interest in the relief sought by the class; and
- (cc) otherwise satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure.

15 U.S.C. §78u-4(a)(3)(B)(iii)(I). See Greebel v. FTP Software, Inc., 939 F. Supp 57, 64 (D.Mass 1996).¹

¹ The PSLRA provides that the:

presumption [of the claimant with the largest loss being lead plaintiff] may be rebutted only upon proof by a member of the purported plaintiff class that the presumptively most adequate plaintiff--

- (aa) will not fairly and adequately protect the interests of the class; or
- (bb) is subject to unique defenses that render such plaintiff incapable of adequately representing the class.

B. The Notice Requirements Under The PSLRA Have Been Satisfied

The notice requirements set forth in 15 U.S.C. §§78u-4(a)(3)(A)(i)(I) and (II) have been satisfied. On February 12, 2004, Deborah Chin's counsel caused a notice to be published after the filing of the complaint that advised purchasers of Sonus Networks securities of (i) the pendency of a securities class action against Defendants, (ii) the claims asserted, (iii) the Class Period in that litigation and (iv) the right of any member of the purported class to move the court to serve as lead plaintiff within the 60-day period (by April 11, 2004) (the "Notice").² Cf., Greebel v. FTP Software, Inc., 939 F. Supp. 57, 62-63 (D. Mass. 1996); In re Milestone Scientific Sec. Litig., 183 F.R.D. 404, 413 (D.N.J. 1998); In re Nice Systems Sec. Litig., 188 F.R.D. 206, 216 (D.N.J. 1999).

C. Mr. Rollow Has The Largest Financial Interest In The Relief Sought By The Class

Mr. Rollow has "the largest financial interest in the relief sought by the class" within the meaning of 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(bb). According to the information provided in the Certification of Named Plaintiff (see Kudler Declaration, Exhibit "A"), Rollow sustained an estimated recoverable loss of approximately \$209,270 from his transactions during the Class Period.³ Mr. Rollow knows of no other persons who have sought to be Lead Plaintiff in this

15 U.S.C. §78u-4(a)(3)(B)(iii)(II).

² A copy of the Notice is attached as Exhibit "B" to the April 11, 2004 Declaration of Justin S. Kudler in Support of Motion of Mr. Rollow for Appointment of Lead Plaintiff and for Approval of Choice of Counsel (the "Kudler Declaration").

³ Under the PSLRA, estimated recoverable loss may be measured by using the average price for the 90 days following disclosure of adverse facts; although the 90 days will not be completed until June 17, 2004, Sonus' average closing price since February 11, 2004 is approximately \$5.09.

action that possess a larger financial interest.

D. Mr. Rollow Has Satisfied The Other Requirements Of The PSLRA.

Mr. Rollow has satisfied each of the other requirements of the PSLRA. First, Mr. Rollow has signed a certification, under oath, which:

- (i) states that he has reviewed the Complaint;
- (ii) states that he did not purchase his shares of Sonus Networks, Inc. at the direction of plaintiff's counsel or in order to participate in any private action arising under the federal securities laws;
- (iii) states that he is willing to serve as representative party on behalf of a class, including providing testimony at deposition and trial, if necessary;
- (iv) sets forth all of his transactions in connection with the securities of Sonus Networks, Inc. during the Class Period;
- (v) states that he has not sought to serve, nor has he served, as a representative party on behalf of a class in any private federal securities action; and
- (vi) states that he will not accept any payment for serving as a representative party on behalf of the class beyond his pro rata share of any recovery.

See 15 U.S.C. §78u-4(a)(2)(A)(i)-(vi). Mr. Rollow has also satisfied the PSLRA by moving the Court for appointment as lead plaintiff within sixty (60) days after the date on which the Notice was published. See 15 U.S.C. §78u-4(a)(3)(A)(i)(II).

Second, Mr. Rollow satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure. See 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(cc). Rule 23(a) of the Federal Rules of Civil Procedure is satisfied for the purposes of this motion where (i) the claims of the proposed lead plaintiff are typical of the claims of the class and (ii) the proposed lead plaintiff will fairly and adequately protect the interests of the Class. "At this stage in the litigation, the party moving for

lead plaintiff of the consolidated action need only make a preliminary showing that it satisfies the typicality and adequacy requirements of Rule 23.” In re Olsten Corp. Sec. Litig., 2 F. Supp.2d 286, 296 (E.D.N.Y. 1998).

Mr. Rollow satisfies the “typicality” and “adequacy” requirements under Rule 23(a). Under this rule, the “typicality” requirement is satisfied where “the claims or defenses of the representative parties are typical of the claims or defenses of the class.” Courts in this district have held that the typicality requirement is met where the plaintiff’s claims arise from the same course of conduct and the same legal theory as the other class members’ claims. In re Lernout & Hauspie Sec. Litig., 138 F.Supp. 2d 39, 46 (D. Mass. 2002).

In this action, Mr. Rollow’s claims are typical of those claims belonging to all Class Members. Like all Class Members, he purchased the securities of Sonus Networks at prices that were artificially inflated by Defendants’ false and misleading representations, and contends that Defendants violated Sections 10(b) of the Act and SEC Rule 10b-5 promulgated thereunder. Accordingly, Mr. Rollow’s claims are typical of the claims of the Class within the meaning of Rule 23(a)(3).

Mr. Rollow will also fairly and adequately represent the interests of the Class within the meaning of Federal Rule of Civil Procedure 23(a)(4). In this District, adequacy is determined by assessing whether the class representatives have interests antagonistic to the class, whether the representatives’ counsel is capable and qualified, and whether the class has sufficient interest on the outcome of the case to ensure vigorous adequacy. Adair v. Sorenson, 134 F.R.D. 13, 18 (D. Mass. 1991). In this case, Mr. Rollow is an adequate representatives for purchasers of Sonus Networks securities during the Class Period. The interests of Mr. Rollow are clearly aligned with

those of the members of the Class, and there is no evidence of any antagonism between his interests and those of the Class.

Finally, Mr. Rollow has already demonstrated that he will adequately represent the interests of the Class by having obtained qualified and experienced counsel, and by submitting a Certification of Named Plaintiff to the Court indicating that he is willing to assume the responsibilities of a class representative. All these factors demonstrate that Mr. Rollow will fairly and adequately represent the interests of the Class.

E. The Court Should Approve Mr. Rollow's Choice Of Counsel.

The PSLRA expressly provides that the “most adequate plaintiff shall, subject to the approval of the court, select and retain counsel to represent the class.” 15 U.S.C. § 78u-4(a)(3)(B)(v). The Court should not disturb a proposed lead plaintiffs’ choice unless “necessary to protect the interests of the plaintiff class.” See Statement of Managers -- “The Private Securities Litigation Reform Act of 1995,” 141 Cong. Rec. H13691-08, at H13700 (daily edition November 28, 1995).

The Court should approve Schatz & Nobel, P.C. and Ragsdale & Frese LLC as Mr. Rollow’s choice of Co-Lead Counsel for the Class. Schatz & Nobel, P.C and Ragsdale & Frese have extensive experience in the area of securities class action litigation. (see Kudler Declaration, Exhibit “C”). Thus, the Court may be assured that the members of the Class will receive the highest caliber of legal representation.

IV. Conclusion

For the foregoing reasons, Mr. Rollow respectfully requests that this Court appoint him to serve as Lead Plaintiff, and approve its selection of Schatz & Nobel, P.C. and Ragsdale & Frese

LLC as Co-Lead Counsel for the Class.

Dated: April 12, 2004

Respectfully submitted,

SCHATZ & NOBEL, P.C.

By: /s/ Justin S. Kudler
Justin S. Kudler (BBO #644824)
Schatz & Nobel, P.C.
One Corporate Center
20 Church Street, Suite 1700
Hartford, Connecticut 06103
Tel.: (860) 493-6292
Fax: (860) 493-6290

Counsel for Proposed Lead Plaintiff
Brad Rollow

Of Counsel:

Andrew M. Schatz
Jeffrey S. Nobel
Nancy A. Kulesa
SCHATZ & NOBEL, P.C.
One Corporate Center
20 Church Street, Suite 1700
Hartford, Connecticut 06103
Tel.: (860) 493-6292
Fax: (860) 493-6290

M. Clay Ragsdale, Esq.
Ragsdale & Frese LLC
Concord Center, Suite 820
2100 Third Avenue North
Birmingham, AL 35203
Telephone: (205) 251-4775
Facsimile: (205) 251-4777

Attorneys for Proposed Lead Plaintiff